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TO: Sue Norris DATE: June 7, 1995

FROM: Marian Wood Marian

SUBJECT: DAVE'S DENVER FOCUS GROUPS: 6/1/95

Attached is the moderator's report from the Dave's focus groups that were held on 6/1/95 in Denver. The primary objective of this research was to assess reactions to new print, OOH and direct mail pieces. Also, consumer attitudes and behavior relating to Dave's were explored.

A total of five mini-groups were conducted among 21-30 year old, male and female, price sensitive, Marlboro and Camel smokers and 21-34 year old, male Discount smokers. All respondents were aware of Dave's and many had either tried or purchased the brand. Further, all expressed positive future purchase interest towards Dave's.

The following highlights key findings from this research.

- Overall, consumer response to the new advertising was very positive. Most of these ads were viewed as consistent with the style and humor these smokers associate with Dave's advertising and the brand's easy-going, laid back personality.

  However, two of the print ads, "The Night Watchman" and "After Dinner" were rejected as inconsistent with Dave's positioning and imagery.

  With the OOH ads, "Bingo" and to a lesser degree "Waiting for Spring", were not perceived to be as "clever" as other Dave's advertising. However, they were viewed as being representative of the brand's image.

- Responses to the special event price off promotions, the two pack offers and direct mail pieces were also very favorable. Only the outserts received mixed responses. Specifically, although the outserts were perceived as fitting Dave's brand personality, some smokers did not see the value of them. Others, however, enjoyed reading them and looked forward to seeing new ones.

- Overall, consumers had positive attitudes towards Dave's product and image. Many of the Premium smokers indicated that on "short cash days" Dave's was their most likely back-up alternative because the brand has a more appealing image and better taste than other Discount Brands.

  Discount Brand smokers also liked Dave's taste and image. In fact, a few of these smokers already consider Dave's their regular brand. However, some of these consumers continue to buy other Discount brands based on "lowest price".

- Most smokers in each group felt that Dave's is likely to gain in popularity and will eventually become an established brand that competes with mid-tier Discount brands like Cambridge and GPC. However, currently, only some smokers indicated that they see other people smoking Dave's. Others said they do not see many people smoking Dave's and attribute this to the fact that Dave's is a new brand.

- Dave's manufacturer did not seem to be an issue among these consumers.

cc: D. Beran, J. Bonhomme, K. Eisen, E. Gee, C. Levy, P. Fernandez

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